

Bangladesh market snapshot

	Last closing
DSEX Index	4,771.92
% change	0.36%
DS30 Index	1,657.92
% change	0.22%
DSES Index	1,089.57
% change	0.02%
Turnover (BDT mn)	3,670.92
Turnover (USD mn)	43.70
% change	-4.72%
Market Capitalization (BDT bn)	3,591
Market Capitalization (USD bn)	42.75
% change	0.36%

Source: Dhaka Stock Exchange

International market snapshot

	Last closing
Dow Jones Industrial Average	27,681.24
% change	+0.02%
Nikkei 225	23,345.17
% change	-0.20%
FTSE 100	7,359.38
% change	-0.63%

Source: Bloomberg

Exchange rate

Currency	BDT
USD	84.75
EUR	93.81
GBP	108.94
INR	1.19

Source: Bangladesh Bank

Money Market

Date	Call Money Rate Range (%)	Weighted Average (%)
06-Nov-2019	1.75-5.50	3.48
05-Nov-2019	1.75-5.50	3.40

Source: Bangladesh Bank

Commodities

	Price	% Change
Brent Crude (Oil), USD/bbl	61.94	-0.91%
Gold Spot, USD/t oz	1,462.47	+0.24%
Cotton, USD/lb	66.42	-0.23%

Source: Bloomberg

Economy

IFC floats Bangla Bond in London Monday

The International Finance Corporation, the World Bank's arm for private sector lending, would float 'Bangla Bond' worth \$10 million in the London Stock Exchange on Monday. It would be the first Taka-denominated bond, IFC senior country officer Nuzhat Anwar told New Age over phone from London Saturday. The IFC will scale up the size of the bond if it gets popularity in the European market, she said. In a statement issued on October 12, 2015, the IFC said that it had received the approval of the Ministry of Finance for the maiden off-shore Taka linked bond programme. The \$1 billion-equivalent bond programme aims to strengthen the capital markets in Bangladesh and to increase foreign investment in the country, it said.

<http://www.newagebd.net/article/90297/ifc-floats-bangla-bond-in-london-monday>

Economy not gloomy, but challenges remain: DCCI

The current state of Bangladesh's economy is not gloomy but it faces some major challenges such as rising bad loans, declining exports and stagnant private investment, a leading business chamber said yesterday. "Some areas of the economy like the banking sector, the stock market, exports of major sectors and inflow of investment by the private sector are not doing well," said Osama Taseer, president of the Dhaka Chamber of Commerce and Industry (DCCI). "We have challenges, but we are trying to overcome them positively," he said, while speaking at a press meet on the current economic issues at the DCCI office in the capital. Taseer said the prime export-earning garment sector, which accounts for more than 80 percent of the national exports, has been going through difficult times.

<https://www.thedailystar.net/business/news/economy-not-gloomy-challenges-remain-dcci-1825303>

China-funded mega projects veer off track

A number of China-funded mega infrastructure projects involving billions of dollars are not on track, with contractors and implementing agencies blaming each other for the slow progress. This has been identified in the review report of a recent meeting between the Bangladesh and Chinese sides. The meeting participated by senior officials of the Economic Relations Division and the Chinese Embassy took stock of the progress of the projects being implemented on a government to government basis. Officials of the line ministries and the representatives of the Chinese contractors blamed each other for the disruption in the project implementation.

<http://today.thefinancialexpress.com.bd/public/first-page/china-funded-mega-projects-veer-off-track-1573230745>

Bangladesh at risk of losing \$38 billion export in absence of LDC status

Bangladesh will face an export loss of \$38 billion in the first five years of its graduation from the status of an LDC (Least Development

Country) in the 2027 fiscal year (FY27) due to additional tariffs of about 6.7 percent. The projection was made through a study of the Policy Research Institute (PRI), which was made public in the city on Saturday. Ahsan H Mansur, executive director of PRI, presented the study paper at the 4th Bangladesh Economic Forum (BEF) conference on the theme, "Strategies and Policies for an Upper-Middle Income Bangladesh", held at a city hotel. The study projects RMG export loss in EU and non-EU markets in the absence of LDC to the tune of \$ 2.7 billion. The loss will directly impact the country's balance of payments, leading to an increase in current account deficit by 0.9 percent to 1.4 percent of GDP in FY27.

<https://tbsnews.net/economy/bangladesh-risk-losing-38-billion-export-absence-ldc-status>

Banks and NBFIs

Ten banks fail to maintain minimum capital requirement

Ten scheduled banks are highly vulnerable to reasonable amount of losses as the banks have failed to maintain minimum capital to risk-weighted assets ratio (CRAR), according to the Bangladesh Bank's Financial Stability Assessment Report for the period of April-June this year. The central bank released the report on Thursday. The BB assessed 57 out of 59 scheduled banks in its report. In line with the Pillar 1 of the Basel III capital framework, all the scheduled banks are supposed to maintain minimum 10 per cent CRAR. Maintaining CRAR, also known as capital adequacy ratio (CAR), is obligatory for the banks and financial institutions to protect depositors and promote the stability and efficiency of financial systems, BB officials said.

<http://www.newagebd.net/article/90144/ten-banks-fail-to-maintain-minimum-capital-requirement>

Sonali lobbies fin min to give the facility for write-offs too

Sonali Bank has requested the finance ministry to extend the special rescheduling facility to written-off loans after the Bangladesh Bank rejected the state-owned bank's plea for providing such facility. Under the BB's rescheduling policy introduced on May 16 this year, the defaulters are given a 10-year loan repayment tenure including a one-year grace period by paying meagre 2 per cent down payment. Sonali Bank managing director and chief executive officer Md Ataur Rahman Prodhan on October 14 sent a letter to Financial Institutions Division senior secretary Md Ashadul Islam, making the request. Earlier in October, the central bank rejected the plea made by Sonali Bank, taking its negative impact into consideration.

<http://www.newagebd.net/article/90143/sonali-lobbies-fin-min-to-give-the-facility-for-write-offs-too>

Rajshahi Krishi Unnayan Bank in shaky state

Owing to mismanagement of various kinds, conditions at Rajshahi Krishi Unnayan Bank (Rakub) have been deteriorating fast. The rise in the figures for default loans and a concomitant decline in deposits have been causing a liquidity crisis at the specialised government bank. The bank, it may be noted, is geared to the development of farmers in the country's

northern region. The liquidity crisis has taken such a bad turn that the bank cannot repay depositors on the maturity of their fixed deposits. In such a situation, it is unable to follow the various banking policies and rules issued by the central bank.

<https://tbsnews.net/economy/rajshahi-krishi-unnayan-bank-shaky-state>

Fuel and Power

BD receives more than one per cent global LNG in first year

Bangladesh received more than one per cent of total global LNG production in the first 12 months after entering the LNG import marketplace as the 39th country in 2018, said a statement. This was revealed at a workshop organised by Excelerate Energy L.P. (Excelerate), an US-based LNG company in the city on Thursday where over 120 industry leaders from the public and private sector discussed the pertinent topics surrounding the global LNG industry and gas markets of Bangladesh. The workshop titled 'Bangla LNG Workshop 2019- Best Practices for LNG Market and Infrastructure' focused on the critical role of LNG along with new natural gas infrastructure over Bangladesh's growing economy and its ever-rising demand for energy.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/bd-receives-more-than-one-per-cent-global-lng-in-first-year-1573223436>

\$300m ADB loan to expand power lines

The Asian Development Bank has approved a €271.84 million, or \$300 million, loan for a project to expand transmission lines in greater Dhaka and the western zone of Bangladesh. Besides, the Asian Infrastructure Investment Bank is considering \$200 million in co-financing to finance transmission lines, substations, and an enterprise resource planning system. The assistance also comprises a \$750,000 grant from China's Poverty Reduction and Regional Cooperation Fund (PRC Fund), the Manila-based lender said in a statement on Friday. "As the Bangladesh economy grows and the power grid becomes more congested," said ADB Principal Energy Specialist Aiming Zhou, adding that the upgradation and expansion of the country's transmission network was crucial for sustaining the growth and reducing poverty.

<https://www.thedailystar.net/business/news/300m-adb-loan-expand-power-lines-1825291>

Pharmaceuticals

Pharma export sees strong growth

Export earnings from the country's pharmaceutical sector continued its upward trend over the last seven years on the back of a conducive policy environment, skilled human resources and patent waiver, insiders said. In order to sustain the growth momentum at both domestic and international markets in the coming years, necessary preparations must be taken, they added. Drug makers operating in Bangladesh have fetched US \$46.85 million in July-October period of current fiscal year (FY) 2019-20, up 8.07 per cent over the corresponding period of last fiscal, according to the Export Promotion Bureau of Bangladesh (EPB)

data. The sector's earning from overseas market jumped 25.60 per cent to \$129.95 million in FY 2018-19 from \$103.46 million in FY '18. The figure was \$89.17 million in FY '17 and \$48.25 million in FY 2011-12.

<http://today.thefinancialexpress.com.bd/public/trade-market/pharma-export-sees-strong-growth-1573228138>

Jute

Govt mulling raising subsidies to boost jute goods export

Textiles and jute minister Golam Dastagir Gazi has said the government is considering increasing subsidies to boost export of jute goods. The entrepreneurs will also get raw materials at affordable prices to produce quality jute goods, he added. "The government will facilitate entrepreneurs to get raw materials at affordable prices for producing quality jute goods for boosting export," he said while speaking as the chief guest after inaugurating a jute products fair in the city on Thursday. Jute Diversification Promotion Centre (JDPC) has organised the three-day exposition at the Officers Club. A total of 100 organisations are showcasing their products at the fair.

<http://today.thefinancialexpress.com.bd/public/trade-market/govt-mulling-raising-subsidies-to-boost-jute-goods-export-1573140244>

Cement

Hike in cost of sales

The listed local cement manufacturing companies have performed mixed for the fiscal year 2019 as the 'profit margin' of the industry declined. The manufacturers said the profit margin dropped mainly because of the hike in cost of sales. Of five local cement companies, only two witnessed marginal rise in EPS (earnings per share), while two others incurred losses for the year ended on June 30, 2019. "The demand of cement was much lower than the amount manufactured in 2019. So, the price has not increased compared to the rise in production cost," said Masud Khan, chief advisor to the board of the M. I. Cement factory.

<http://today.thefinancialexpress.com.bd/public/stock-corporate/hike-in-cost-of-sales-1573309669>

Capital Market

Shenzhen, Dhaka bourses' joint index by Dec

The Shenzhen Stock Exchange (SZSE) will launch a joint index in cooperation with the Dhaka Stock Exchange (DSE), comprising well performing companies, by the end of this year to increase Chinese investment in the capital market of Bangladesh. "We have taken an initiative to introduce a joint index, comprising well performing companies, in cooperation with the DSE to attract more Chinese investments in Bangladesh's capital market," Liu Fuzhong, one of the directors of the SZSE, told a group of Bangladeshi journalists. He said this after the inaugural session of a two-day programme - 'The 3rd China -Bangladesh Capital Market Cooperation Seminar' - in Shenzhen on Thursday.

<http://today.thefinancialexpress.com.bd/public/first-page/shenzhen-dhaka-bourses-joint-index-by-dec-1573207695>

Stocks

Brac Bank reiterates commitment to values-based banking

Brac Bank Limited has reiterated its strong commitment to values-based banking while celebrating the Banking on Values Day, with 60 other members of the Global Alliance for Banking on Values (GABV), across the globe. Every year, the alliance observes Banking on Values Day on November 7. This year's theme was "I Choose #BankingOnValues. Because I Care about Climate, Because I Care about Equality and Because I Care about Migrants." This year carries special significance as the alliance marks its 10th founding anniversary, said a press release. GABV members have one shared mission – to use finance to deliver sustainable economic, social and environmental development, with a focus on helping individuals fulfil their potential and build stronger communities.

<https://tbsnews.net/economy/brac-bank-reiterates-commitment-values-based-banking>

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Recommendation Type	Holding period (if not otherwise mentioned)	Absolute Return Potential
Buy	12 Months	More than +15%
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